

TEMPLATE 1

Key regulatory ratios - Capital and liquidity

As at March 31,	Bank		Group	
	2022	2021	2022	2021
Regulatory Capital				
Common Equity (Rs 000)	115,128,025	116,177,998	129,555,885	129,709,099
Tier 1 Capital (Rs 000)	115,128,025	116,177,998	129,555,885	129,709,099
Total Capital (Rs 000)	146,747,121	140,137,092	161,773,254	154,282,528
Regulatory Capital Ratios				
Common Equity Tier 1 Capital Ratio (<i>Minimum Requirement - 2022-7% ; 2021-7%</i>)	12.23%	14.82%	12.50%	15.00%
Tier 1 Capital Ratio (<i>Minimum Requirement - 2022-8.5% ; 2021-8.5%</i>)	12.23%	14.82%	12.50%	15.00%
Total Capital Ratio (<i>Minimum Requirement - 2022-12.5% ; 2021-12.5%</i>)	15.59%	17.88%	15.60%	17.84%
Leverage Ratio (<i>Minimum Requirement - 3%</i>)	7.14%	7.67%	7.59%	8.13%
Regulatory Liquidity				
Statutory Liquid Assets (Rs 000)	347,458,092	457,213,722		
Statutory Liquid Assets Ratio (<i>Minimum Requirement - 20%</i>)				
Domestic Banking Unit (%)	28.59%	39.96%		
Off-Shore Banking Unit (%)	22.45%	28.61%		
Liquidity Coverage Ratio (%) – Rupee (<i>Minimum Requirement - 2022-100% ; 2021-100%</i>)	211.69%	308.04%		
Liquidity Coverage Ratio (%) – All Currency (<i>Minimum Requirement - 2022-100% ; 2021-100%</i>)	194.41%	271.79%		

TEMPLATE 2

Basel III computation of capital ratios

As at March 31,	Bank		Group	
	2022	2021	2022	2021
	(Rs 000)	(Rs 000)	(Rs 000)	(Rs 000)
Common equity Tier 1 (CET1) Capital after Adjustments	115,128,025	116,177,998	129,555,885	129,709,099
Total common equity Tier 1 (CET1) Capital	131,403,796	121,558,356	145,445,599	134,873,480
Equity Capital (Stated Capital)/Assigned Capital	38,679,005	37,364,244	38,679,005	37,364,244
Reserve fund	8,560,000	7,660,000	8,560,000	7,660,000
Published retained earnings/(Accumulated retained losses)	30,459,644	19,580,051	38,916,837	26,321,784
Published accumulated other comprehensive income (OCI)	(3,394,853)	5,871	(4,379,669)	14,112
General and other disclosed reserves	57,100,000	56,948,190	57,541,056	58,117,657
Unpublished current year's profit/(losses) and gains reflected in OCI	-	-	-	-
Ordinary shares issued by consolidated banking and financial subsidiaries of the Bank and held by third parties	-	-	6,128,370	5,395,683
Total adjustments to CET1 Capital	16,275,771	5,380,358	15,889,714	5,164,382
Goodwill (net)	-	-	181,396	119,457
Intangible assets (net)	1,278,019	1,264,177	1,378,019	1,364,177
Deferred tax assets (net)	10,499,127	1,420,938	11,062,497	2,216,463
Defined benefit pension fund assets	1,248,708	-	1,248,708	-
Revaluation losses of property, plant & equipment	-	-	-	-
Investments in the capital of banking and financial institutions where the bank does not own more than 10 per cent of the issued ordinary share capital of the entity	451,319	198,577	397,292	143,412
Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity	2,798,599	2,496,666	1,621,803	1,320,873
Additional Tier 1 (AT1) capital after adjustments	-	-	-	-
Additional Tier 1 (AT1) capital	-	-	-	-
Qualifying additional Tier 1 capital instruments	-	-	-	-
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total adjustments to AT1 capital	-	-	-	-
Investment in Own Shares	-	-	-	-
Others (specify)	-	-	-	-
Tier 2 capital after adjustments	31,619,097	23,959,094	32,217,370	24,573,430
Total Tier 2 Capital	31,619,097	23,959,094	32,217,370	24,573,430
Qualifying Tier 2 capital instruments	18,812,228	13,865,443	18,483,936	13,662,803
Revaluation gains	2,090,479	2,090,479	2,090,479	2,090,479
General provision/eligible impairment	10,716,390	8,003,173	11,642,956	8,820,148
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total adjustments to Tier 2 capital	-	-	-	-
Investment in own shares	-	-	-	-
Others (specify)	-	-	-	-
Investments in the capital of financial institutions and where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	-	-	-	-
CET1 capital	115,128,025	116,177,998	129,555,885	129,709,099
Total Tier 1 capital	115,128,025	116,177,998	129,555,885	129,709,099
Total capital	146,747,121	140,137,092	161,773,254	154,282,528
Total risk weighted amount (RWA)	941,084,553	783,939,840	1,036,689,258	864,806,195
RWAs for Credit Risk	857,311,224	711,963,738	931,436,443	773,358,682
RWAs for Market Risk	2,556,043	431,608	2,709,760	583,849
RWAs for Operational Risk	81,217,286	71,544,494	102,543,055	90,863,665
CET1 capital ratio (including capital conservation buffer, countercyclical capital buffer & surcharge on D-SIBs) (%)	12.23%	14.82%	12.50%	15.00%
Of which: capital conservation buffer (%)	1.50%	1.50%	1.50%	1.50%
Of which: countercyclical buffer (%)	-	-	-	-
Of which: capital surcharge on D-SIBs (%)	1.00%	1.00%	1.00%	1.00%
Total Tier 1 capital ratio (%)	12.23%	14.82%	12.50%	15.00%
Total capital ratio (including capital conservation buffer, countercyclical capital buffer & surcharge on D-SIBs) (%)	15.59%	17.88%	15.60%	17.84%
Of which: capital conservation buffer (%)	1.50%	1.50%	1.50%	1.50%
Of which: countercyclical buffer (%)	-	-	-	-
Of which: capital surcharge on D-SIBs (%)	1.00%	1.00%	1.00%	1.00%

TEMPLATE 3

Leverage Ratio

As at March 31,	Bank		Group	
	2022	2021	2022	2021
	(Rs 000)	(Rs 000)	(Rs 000)	(Rs 000)
Tier 1 capital	115,128,025	116,177,998	129,555,885	129,709,099
Total exposures	1,611,748,457	1,514,839,550	1,707,662,753	1,594,797,313
On-balance sheet items (excluding derivatives and securities financing transactions, but including collateral)	1,327,980,535	1,295,644,546	1,417,648,555	1,372,650,550
Derivative exposures	133,435,206	103,773,511	133,435,206	103,773,511
Securities financing transaction exposures	43,374,663	15,401,682	49,620,939	18,353,441
Other off-balance sheet exposures	106,958,053	100,019,812	106,958,053	100,019,812
Basel III leverage ratio (Tier 1/Total Exposure) (minimum requirement 3%)	7.14%	7.67%	7.59%	8.13%

TEMPLATE 4

Liquidity coverage ratio (LCR) - All currency

As at March 31,	2022		2021	
	Total	Total	Total	Total
	Unweighted Value Rs 000	Weighted Value Rs 000	Unweighted Value Rs 000	Weighted Value Rs 000
Total stock of High-Quality Liquid Assets (HQLA)	318,544,395	305,416,812	357,163,566	343,968,274
Total adjusted level 1 assets	233,372,562	233,372,562	270,475,231	270,475,231
Level 1 assets	231,144,929	231,144,929	269,294,168	269,294,168
Total adjusted level 2A assets	87,678,998	74,527,148	87,826,876	74,652,845
Level 2A assets	87,348,998	74,246,648	87,826,876	74,652,845
Total adjusted level 2B assets	50,468	25,234	42,521	21,261
Level 2B assets	50,468	25,234	42,521	21,261
Total cash outflows	1,317,532,279	216,856,733	1,122,893,663	181,310,665
Deposits	934,223,486	93,422,349	792,225,950	79,222,595
Unsecured wholesale funding	208,793,802	80,946,273	163,789,847	59,184,937
Secured funding transactions	19,726,281	-	9,454,638	-
Undrawn portion of committed (irrevocable) facilities and other contingent funding obligations	129,378,728	17,078,129	131,384,954	16,864,859
Additional requirements	25,409,981	25,409,981	26,038,274	26,038,274
Total cash inflows	124,192,692	59,756,630	116,441,484	54,754,550
Maturing secured lending transactions backed by collateral	-	-	-	-
Committed facilities	3,000,000	-	3,000,000	-
Other inflows by counterparty which are maturing within 30 days	85,340,554	44,125,277	94,319,849	48,059,925
Operational deposits	7,168,661	-	6,112,806	-
Other cash inflows	28,683,477	15,631,353	13,008,829	6,694,625
Liquidity coverage ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		194.41%		271.79%

TEMPLATE 5**Net Stable Funding Ratio (NSFR)**

As at March 31,	Bank	
	2022	2021
	Rs 000	Rs 000
Total available stable funding (ASF)	1,088,609,764	932,864,783
Required stable funding – On balance sheet assets	902,239,070	789,289,713
Required stable funding – Off balance sheet items	19,578,667	16,389,167
Total required stable funding (RSF)	921,817,737	805,678,880
NSFR (minimum requirement - 2022 - 100%, 2021 - 100%)	118.09%	115.79%

TEMPLATE 6

Main Features of Regulatory Capital Instruments

Description of the capital instrument	Subordinated - 2006 Type F	Debtsecurities - 2016	Debtsecurities - 2019 (Based III compliant - Tier 2 listed rated unsecured subordinated redeemable debtsecurities with a non-viability conversion)	Debtsecurities - 2021 (Based III compliant - Tier 2 listed rated unsecured subordinated redeemable debtsecurities with a non-viability conversion)
Issuer	DNB PLC	DNB PLC	DNB PLC	DNB PLC
Issuer identity	DNB PLC	DNB PLC	DNB PLC	DNB PLC
Governing law of the instrument	Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka
Original date of issuance	Not Applicable	April 1, 2006	November 21, 2019	September 21, 2021
Par value of instrument	Not Applicable	LKR 100	LKR 100	LKR 100
Parquet or dated	Perpetual	Dated	Dated	Dated
Original maturity date, if applicable	Not Applicable	March 31, 2024	November 22, 2024	September 22, 2024
Amount recognised in regulatory capital (in Rs.000 as at the reporting date)	38,679,005	981,256	1,151,542	8,077,438
Accounting classification (assets/liabilities)	Assets	Liabilities	Liabilities	Liabilities
Issuer call subject to prior supervisory approval				
Optional call date, contingent call dates and redemption amount (Rs. 000)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Subsequent call Dates, if applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Coupons/Dividends	Dividends	Coupons	Coupons	Coupons
Fixed or floating dividend/coupon	Not Applicable	Fixed	Fixed	Fixed
Coupon rate and any related index		11.25% p.a.	12.5% p.a.	12.25% p.a.
Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative
Convertible or Non-Convertible	Not Applicable	Not Applicable	Convertible	Convertible
If Convertible, Conversion Trigger (s)			"A 'Trigger Event' is determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka (i.e., conversion of the said Debtsecurities upon occurrence of the Trigger Event will be affected by the Bank solely upon being instructed by the Monetary Board of the Central Bank of Sri Lanka), and is defined in the Banking Act Direction No. 1 of 2016 of Web-Based Return Code 20.2.3.1.1.1(10) (a) (a&b) as a point event being the earlier of: (a) 'A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board, OR (b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the Monetary Board.'"	"A 'Trigger Event' is determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka (i.e., conversion of the said Debtsecurities upon occurrence of the Trigger Event will be affected by the Bank solely upon being instructed by the Monetary Board of the Central Bank of Sri Lanka), and is defined in the Banking Act Direction No. 1 of 2016 of Web-Based Return Code 20.2.3.1.1.1(10) (a) (a&b) as a point event being the earlier of: (a) 'A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board, OR (b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the Monetary Board.'"
If Convertible, fully or partially	Not Applicable	Not Applicable	Full	Full
If convertible, mandatory or optional	Not Applicable	Not Applicable	Optional. At the discretion of the monetary board of the Central Bank of Sri Lanka upon occurrence of trigger points as detailed above.	Optional. At the discretion of the monetary board of the Central Bank of Sri Lanka upon occurrence of trigger points as detailed above.
If convertible, conversion rate	Not Applicable	Not Applicable	The price based on the simple average of the daily volume of weighted average price (VWAP) of an ordinary voting share of the Bank during the three (03) months period, immediately preceding the date of the Trigger Event.	The price based on the simple average of the daily volume of weighted average price (VWAP) of an ordinary voting share of the Bank during the three (03) months period, immediately preceding the date of the Trigger Event.

TEMPLATE 7

Credit risk under standardised approach

Credit risk exposures and credit risk mitigation (CRM) effects - Bank

As at March 31, 2022	Bank					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-balance sheet amount (a)	Off-Balance Sheet Amount (b)	On-balance sheet amount (c)	Off-Balance Sheet Amount (d)	RWA (e)	RWA Density {e/(c+d)}
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Claims on Central Government and CBSL	507,120,219	-	471,579,862	-	34,294,791	7.27%
Claims on foreign sovereigns and their central banks	-	-	-	-	-	-
Claims on public sector entities (PSEs)	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks (MDBs)	-	-	-	-	-	-
Claims on banks exposures	14,533,723	-	14,533,723	-	8,725,699	60.04%
Claims on financial institutions	36,201,638	1,749,129	36,201,638	1,749,129	22,415,755	59.07%
Claims on corporates	391,617,471	396,624,733	370,074,090	85,072,091	401,399,184	88.19%
Retail claims	418,262,739	91,684,193	368,532,021	20,136,834	272,163,386	70.02%
Claims secured by residential property	60,150,073	-	60,150,073	-	31,333,699	52.09%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) ⁽ⁱ⁾	34,414,027	-	34,414,027	-	37,922,860	110.20%
Higher-risk categories	1,179,266	-	1,179,266	-	2,948,166	250.00%
Cash items and other assets	80,333,232	-	80,333,232	-	46,107,683	57.40%
Total	1,543,812,389	490,058,055	1,436,997,932	106,958,053	857,311,224	

TEMPLATE 7 (Contd.)

Credit risk under standardised approach

Credit risk exposures and credit risk mitigation (CRM) effects - Group

As at March 31, 2022	Group					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-balance sheet amount (a)	Off-Balance Sheet Amount (b)	On-balance sheet amount (c)	Off-Balance Sheet Amount (d)	RWA (e)	RWA Density {e/(c+d)}
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Claims on Central Government and CBSL	512,912,783	-	477,372,426	-	34,294,791	7.18%
Claims on foreign sovereigns and their central banks	-	-	-	-	-	-
Claims on public sector entities (PSEs)	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks (MDBs)	-	-	-	-	-	-
Claims on banks exposures	24,053,646	-	24,053,646	-	12,120,139	50.39%
Claims on financial institutions	40,296,322	1,749,129	40,296,322	1,749,129	24,463,097	58.18%
Claims on corporates	405,606,152	396,624,733	384,062,771	85,072,091	415,083,067	88.48%
Retail claims	456,196,241	91,684,193	406,465,522	20,136,834	300,613,512	70.47%
Claims secured by residential property	60,150,073	-	60,150,073	-	31,333,699	52.09%
Claims secured by commercial real estate	-	-	-	-	-	-
Non-Performing Assets (NPAs) ⁽ⁱ⁾	34,414,027	-	34,414,027	-	37,922,860	110.20%
Higher-risk categories	1,311,777	-	1,311,777	-	3,279,442	250.00%
Cash items and other assets	109,060,269	-	109,060,269	-	72,325,835	66.32%
Total	1,644,001,290	490,058,055	1,537,186,833	106,958,053	931,436,443	

TEMPLATE 8

Market risk under standardised measurement method

As at March 31,	Bank		Group	
	2022	2021	2022	2021
	Rs 000	Rs 000	Rs 000	Rs 000
(a) Capital charge for interest rate risk	5	-	5	-
General interest rate risk	5	-	5	-
(i) Net long or short position	5	-	5	-
(ii) Horizontal disallowance	-	-	-	-
(iii) Vertical disallowance	-	-	-	-
(iv) Options	-	-	-	-
Specific interest rate risk	-	-	-	-
(b) Capital charge for equity	10,598	7,731	29,813	26,761
(i) General equity risk	4,290	4,252	17,746	13,998
(ii) Specific equity risk	6,309	3,479	12,067	12,763
(c) Capital charge for foreign exchange & gold	308,902	46,220	308,902	46,220
Capital charge for market risk [(a) + (b) + (c)] * CAR	2,556,043	431,608	2,709,760	583,849

TEMPLATE 9

Operational Risk under basic indicator approach - Bank

As at March 31,	Capital Charge Factor	Fixed Factor	2021			2022		
			1 st Year	2 nd Year	3 rd Year	1 st Year	2 nd Year	3 rd Year
Gross Income	N/A	N/A	61,951,148	59,853,299	57,056,789	59,853,299	57,056,789	86,133,126
Capital Charges	15%	N/A	9,292,672	8,977,995	8,558,518	8,977,995	8,558,518	12,919,969
Capital Charges for Operational Risk					8,943,062			10,152,161
The Basic Indicator Approach					8,943,062			10,152,161
Risk Weighted Amount for Operational Risk					71,544,494			81,217,286

Operational Risk under basic indicator approach - Group

As at March 31,	Capital Charge Factor	Fixed Factor	2021			2022		
			1 st Year	2 nd Year	3 rd Year	1 st Year	2 nd Year	3 rd Year
Gross Income	N/A	N/A	77,017,387	77,020,763	73,121,011	77,020,763	73,121,011	106,215,863
Capital Charges	15%	N/A	11,552,608	11,553,114	10,968,152	11,553,114	10,968,152	15,932,379
Capital Charges for Operational Risk					11,357,958			12,817,882
The Basic Indicator Approach					11,357,958			12,817,882
Risk Weighted Amount for Operational Risk					90,863,665			102,543,055

TEMPLATE 10

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank only

Amount as at March 31 ,2021	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Assets	1,505,747,800	1,549,086,366	1,452,522,422	95,156	113,671,500
Cash and cash equivalents	42,056,103	42,071,503	42,071,503	-	-
Placements with banks	2,909,674	2,910,598	2,910,598	-	-
Balances with Central Bank of Sri Lanka	26,135,677	26,135,677	31,440,827	-	-
Reverse repurchase agreements	3,000,618	3,000,618	3,000,618	-	-
Derivative financial instruments	9,363,187	-	-	-	-
Financial assets measured at fair value through profit or loss	95,156	95,156	-	95,156	-
Financial assets at amortised cost - Loans and advances to banks	-	-	-	-	-
Financial assets measured at amortised cost - loans and advances to customers	948,087,558	997,824,509	891,010,053	-	106,814,456
Financial assets measured at amortised cost - debt and other instruments	212,501,622	232,681,243	232,681,243	-	-
Financial assets measured at fair value through other comprehensive income	198,256,770	204,638,197	200,858,457	-	3,779,740
Investment in joint venture	755,000	755,000	-	-	755,000
Investments in subsidiaries	3,017,285	3,017,285	1,973,000	-	1,044,285
Investments in associates	-	-	-	-	-
Investment properties	468,440	468,440	468,440	-	-
Property, plant and equipment	24,807,858	24,807,858	24,807,858	-	-
Right-of-use assets	5,265,709	5,265,709	-	-	-
Intangible assets and goodwill	1,399,683	1,399,683	-	-	1,278,019
Deferred tax assets	10,437,008	-	-	-	-
Other assets	17,190,452	4,014,890	21,299,825	-	-
Liabilities	1,355,655,796	1,357,455,907	-	-	-
Due to banks	15,318,140	15,318,140	-	-	-
Derivative financial instruments	1,243,256	-	-	-	-
Securities sold under repurchase agreements	24,016,221	24,016,221	-	-	-
Financial liabilities measured at amortised cost - due to depositors	1,216,529,542	1,217,094,822	-	-	-
Dividends payable	4,400,167	4,400,167	-	-	-
Financial liabilities measured at amortised cost - other borrowings	29,969,656	30,091,066	-	-	-
Debt securities issued	2,027,188	2,027,188	-	-	-
Current tax liabilities	15,488,984	11,993,367	-	-	-
Deferred tax liabilities	-	7,221,506	-	-	-
Other provisions	4,094,187	6,530,539	-	-	-
Other liabilities	18,352,827	14,547,263	-	-	-
Due to subsidiaries	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-
Subordinated term debts	24,215,628	24,215,628	-	-	-
Off-Balance Sheet Liabilities	837,462,672	837,462,672	-	-	-
Guarantees	76,995,203	76,995,203	76,995,203	-	-
Performance Bonds	45,284,159	45,284,159	45,284,159	-	-
Letters of Credit	40,889,360	40,889,360	40,889,360	-	-
Other Contingent Items	154,791,638	154,791,638	154,791,638	-	-
Undrawn Loan Commitments	519,502,312	519,502,312	519,502,312	-	-
Other Commitments	-	-	-	-	-
Shareholders' Equity	-	-	-	-	-
Equity Capital (Stated Capital)/Assigned Capital of which Amount Eligible for CET1	38,679,005	38,343,053	-	-	-
Of which Amount Eligible for AT1	-	-	-	-	-
Retained Earnings	35,687,705	72,542,851	-	-	-
Accumulated Other Comprehensive Income	5,019,261	-	-	-	-
Other Reserves	80,744,555	80,744,556	-	-	-
Total Shareholders' Equity	150,092,004	191,630,459	-	-	-